

CCH Finance Committee Meeting July 2019

Ekerete Akpan, Chief Financial Officer

July 19, 2019



COOK COUNTY
HEALTH

Agenda

1. System-wide Financials & Stats
 - a. Financials and Observations
 - b. Financial / Revenue Cycle metrics
2. CCH Provider Service Financials
 - a. Operational Statistics and Observations
3. CountyCare Financials & Stats
4. Correctional Health services Financials & Stats
5. Cook County Department of Public Health Financials & Stats
6. Administration Financials
7. System-wide volumes/stats



Systems-wide Financials, Observations, and Revenue Cycle Metrics



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Observations on Financials

Revenues

- Net Patient Service Revenues - \$284M , 23% unfavorable to target due to increasing charity care and some lower clinical activity
 - System-wide uninsured numbers
 - Captured by Visits, held at 45% (Provident 33%, ACHN 44%, Stroger 47%)
 - Captured by Charges, held at 42% (Provident 38%, ACHN 46%, Stroger 41%)
- CountyCare Capitation Revenues - \$1.1B, 4% unfavorable to target due to lower than budgeted enrollment as a result of lower State/County MCO enrollment
- Other Revenues - \$2.8M , ongoing review of outstanding payments to ensure we get caught up by year end

Expenses

- Cost of People - \$347.1M, favorable by 7.3% compared to budget
- Cost of Pharma - \$35.4M, favorable by 12.4% compared to budget

Income Statement for the Six Months ending May 2019 (in thousands)

CCH Systemwide	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	284,043	369,020	(84,978)	-23%
County Care Access Payments	207,959	-	207,959	n/a
CountyCare Capitation Revenue	878,033	910,875	(32,842)	-4%
Cook County Access Payments	22,480	22,480	-	0%
Other Revenue	2,842	6,500	(3,658)	-56%
Total Operating Rev	1,395,356	1,308,875	86,481	7%
<u>Operating Expenses</u>				
Salaries & Benefits	324,246	356,569	32,323	9%
Overtime	22,853	17,901	(4,952)	-28%
Contracted Labor	22,277	17,060	(5,216)	-31%
Pension*	54,964	155,050	100,086	65%
Supplies & Materials	20,983	37,514	16,530	44%
Pharmaceutical Supplies	35,405	40,414	5,009	12%
Purch. Svs., Rental, Oth.	106,628	167,440	60,812	36%
External Claims Expense	755,007	708,285	(46,723)	-7%
County Care Access Expense	207,959	-	(207,959)	n/a
Insurance Expense	13,340	14,718	1,378	9%
Depreciation	17,352	17,352	-	0%
Utilities	10,740	4,943	(5,797)	-117%
Total Operating Exp	1,591,753	1,537,244	(54,509)	-4%
Operating Margin	(196,398)	(228,369)	31,972	14%
Operating Margin %	-14%	-17%	3%	19%
Non Operating Revenue	99,481	125,629	(26,148)	-21%
Net Income/(Loss)	(96,917)	(102,741)	5,824	6%



Financial Metrics

Metric	As of end May- 18/YTD	As of end May- 19/YTD	Target
Days Cash On Hand*	31	0	60
Operating Margin**	-5.5%	-11.6%	-5.4%
Overtime as Percentage of Gross Salary***	7.2%	7.5%	5.0%*
Average Age of Plant (Years)	23.3	23.2	10.7

*Days Cash in Hand – Point in time i.e. as of end of each month. Note State owed CCH \$252M in payments as of end May 2019

**Excludes Pension Expense-Target based on compare group consisting of 'like' health systems : Alameda Health System, Nebraska Medical Center, Parkland Health & Hospital System, and UI Health

***Overtime as percentage of Gross Salary – CCH target 5% , Moody's 2%



Revenue Cycle Metrics

Metric	Average FYTD 2019	April-19	May-19	June-19	Benchmark /Target
Average Days in Accounts Receivable <i>(lower is better)</i>	97	92	93	97	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	11	10	10.5	12	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	21%	21%	19%	17%	20%

Definitions:

Average Days in Accounts Receivable: Total accounts receivable over average daily revenue

Discharged Not Finally Billed Days: Total charges of discharge not finally billed over average daily revenue

Claims Initial Denials Percentage: Percentage of claims denied initially compared to total claims submitted.

* Source HFMA Key Hospital Statistics and Ratio Margins – Posted 2014



Provider of Care Services Financial and Operational Statistics



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Income Statement for the Six Months ending May 2019 (in thousands)

CCH Providers	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	284,043	369,020	(84,978)	-23%
Cook County Access Payments	22,480	22,480	-	0%
Other Revenue	2,146	5,590	(3,444)	n/a
Total Operating Rev	308,669	397,090	(88,421)	-22%
<u>Operating Expenses</u>				
Salaries & Benefits	270,017	281,565	11,548	4%
Overtime	19,354	15,257	(4,097)	-27%
Contracted Labor	20,360	11,442	(8,918)	-78%
Pension*	44,884	132,961	88,077	66%
Supplies & Materials	20,593	35,284	14,690	42%
Pharmaceutical Supplies	32,130	35,413	3,282	9%
Purch. Svs., Rental, Oth.	64,191	108,968.12	44,777	41%
Insurance Expense	12,987	-	(12,987)	n/a
Depreciation	10,754	10,754	-	0%
Utilities	10,739	4,865	(5,874)	-121%
Total Operating Exp	506,009	636,507	130,498	21%
Operating Margin	(197,340)	(239,417)	42,077	18%
Operating Margin %	-64%	-60%	-4%	-6%
Non Operating Revenue	45,076	69,749	(24,673)	-35%
Net Income/(Loss)	(152,265)	(169,669)	17,405	10%



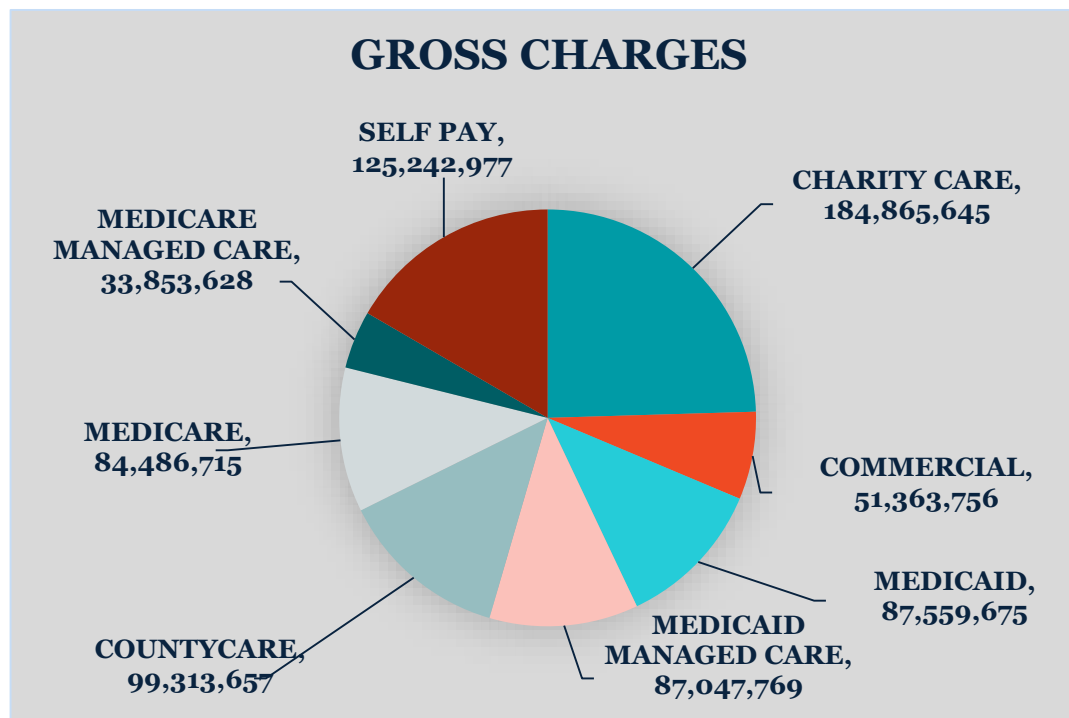
CCH as a Provider - Revenue Statement for the Six Months ending May 2019 (in thousands)

CCHHS Providers	Year-To-Date <i>Actual</i>
Gross Revenue	862,904
<u>Adjustments</u>	
Contractual Adjustments	(258,060)
Charity Adjustments	(251,039)
Total Adjustment	(509,099)
Gross NPSR	353,805
Bad Debt Allowance	(214,281)
Adjusted NPSR	139,524
DSH	78,350
BIPA	66,169
Adjusted NPSR plus DSH and BIPA	284,043
Adjusted NPSR plus DSH and BIPA as a % of Gross Revenue	33%

Clinical Activity Observations

- Primary Care visits are up by 8% versus FY18, and up 3% versus FY19 target
- Specialty Care visits are up by 3% versus FY18, and down 2% versus FY19 target
- Surgical Cases are down by 3% versus FY18, and down 9% versus FY19 target
- Inpatient Discharges are down 9% versus FY18
- Length of Stay is up 1% versus FY18, and up 1% versus FY19 target
- Emergency Department visits are down 1% versus FY18
- Deliveries are up by 3% versus FY18, and down 7% versus FY19 target

Stroger Operations Overview for the Six Months ending May 2019



Comments:

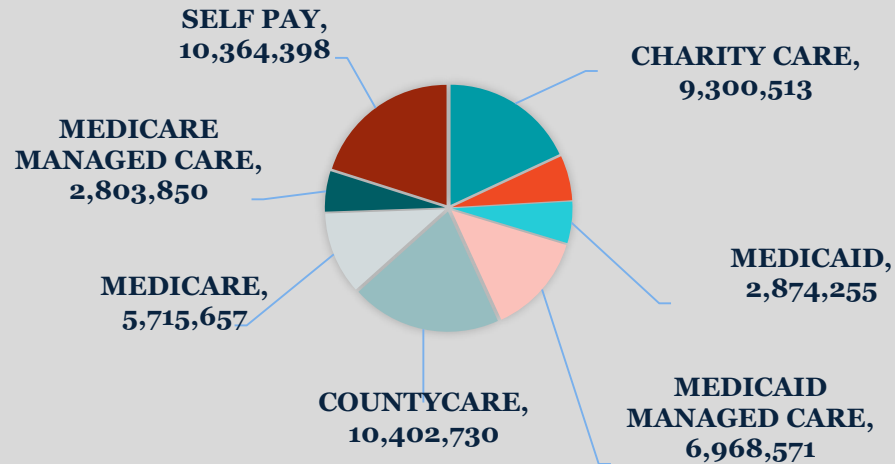
- Targeted efforts to improve surgical volumes is ongoing focused on throughput and expedited equipment purchases
- Focused efforts on reviewing observation days

Inpatient/Observation-FYTD			
Measure	FY2019	FYTD Target	FY2018
Inpatient Discharges	8,310	8,796	9,107
- Long Stay Admissions	1,764	1,782	1,808
- One Day Admissions	476	498	559
Inpatient Days	43,175	43,176	44,846
Observation Discharges	5,389	5,142	4,918
Observation Days (Observation Discharge)	10,385	9,396	9,473
Avg LOS (Inpatient Discharge)	5.7	---	5.6
Average Daily Census (Inpatient & Observation)	294.3	294.5	298.5
Surgical Cases	5,845	6,486	6,178
Procedures (CPTs)	---	---	---
Radiology Tests	21,690	21,430	21,430
Deliveries	504	546	488
Emergency- FYTD			
Measure	FY2019	FYTD Target	FY2018
Emergency Visits (includes LWBS & Trauma)	59,518	60,870	59,894
Adult Emergency Visits	49,575	50,130	49,627
Peds Emergency Visits	3,578	3,433	3,696
Trauma Visits	3,455	3,356	3,634
LWBS	2,910	2,399	2,937
Radiology Tests	48,684	50,428	50,428
Outpatient Clinic- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	279,665	281,016	270,245
Total Provider Visits*	169,499	171,714	165,951
Specialty/Diagnostic/Procedure Provider Visits			
Austin (AH)	2,525	2,838	2,895
Core Specialty	4,827	5,232	4,839
Hospital - Based	9,692	10,314	10,249
Specialty Care / Fantus / Professional Bldg	117,915	120,384	115,991
Total	134,959	138,768	133,974
Primary Care Provider Visits			
Core	6,531	6,912	6,646
Core Peds	258	294	281
GMC	25,452	23,490	22,966
Peds	2,299	2,250	2,084
Total	34,540	32,946	31,977



Provident Operations Overview for the Six Months ending May 2019

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Comments:

- Leadership reviewing left without being seen in Emergency Dept.
- Expect more volume growth as we complete equipment procurement , fully staff new clinical capacity including the ICU

Inpatient/Observation-FYTD

Measure	FY2019	Monthly Target	FY2018
Inpatient Discharges	272	294	334
- Long Stay Admissions	49	60	67
- One Day Admissions	26	18	21
Inpatient Days	1,458	1,500	1,634
Observation Discharges	333	312	322
Observation Days (Observation Discharge)	656	618	700
Avg LOS (Inpatient Discharge)	5.1	---	5.3
Average Daily Census (Inpatient & Observation)	11.6	12.2	12.8
Surgical Cases	1,445	1,818	1,343
Procedures (CPTs)	---	---	---
Radiology Tests	183	159	159

Emergency- FYTD

Measure	FY2019	Monthly Target	FY2018
Emergency Visits (including LWBS)	14,805	16,416	15,341
Adult Emergency Visits	13,078	14,430	13,422
Peds Emergency Visits	742	888	919
LWBS	985	654	1,000
Radiology Tests	7,933	8,520	8,520

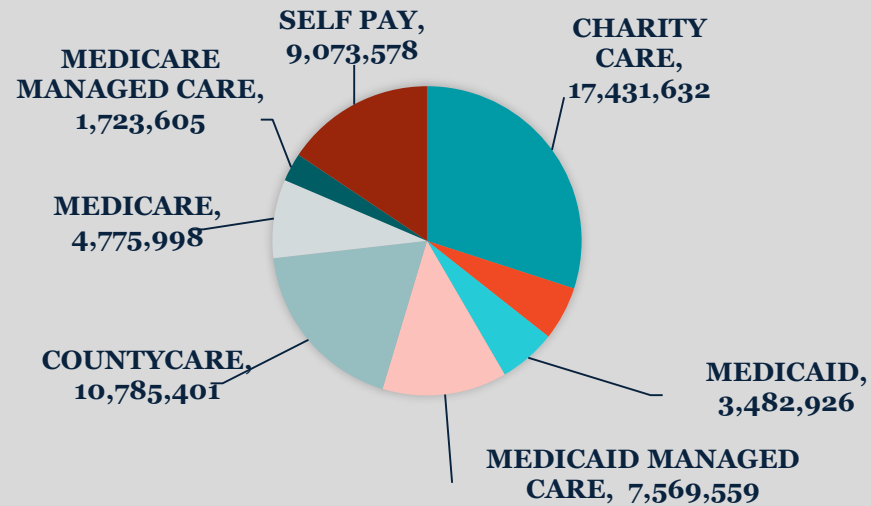
Outpatient Clinic- FYTD

Measure	FY2019	Monthly Target	FY2018
Total Registrations	44,788	44,688	41,660
Amb of Prov - Specialty/Diagnostic/Procedure Provider Visits	814	1,217	1,274
Sengstacke - Specialty/Diagnostic/Procedure Provider Visits	17,555	16,707	14,955
Sengstacke Primary	9,104	8,370	8,120
Sengstacke Primary Peds	416	378	164
Radiology Tests	4,997	5,436	5,436



ACHN Operations Overview for the Six Months ending May 2019

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Comments :

- Positive growth trends in Primary care and Specialty care provider visits on track to meet /exceed FY2019 targets
- Leadership continues to focus on initiatives including patient access and increasing specialty care availability at clinics

CCHC Total- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	133,620	131,538	123,339
Total Provider Visits*	89,446	89,010	84,272
CCHC Primary- FYTD			
Measure	FY2019	FYTD Target	FY2018
Arlington Heights (AR)/Vista (VH)	6,285	5,886	5,457
Austin (AH)	6,082	6,792	11,924
Child Advocacy	268	282	297
Cicero (CH)	5,476	5,742	5,645
Cottage Grove (CG)	4,898	5,004	4,655
Englewood (EH)	7,226	6,318	5,890
Logan Square (LS)	7,512	7,218	6,756
Morton East (ME)	444	468	490
Near South (NS)	7,442	7,578	7,048
OFHC (OF)	7,853	7,806	7,614
Prieto (PH)	9,704	8,778	8,644
Robbins (RH)	5,174	5,214	4,960
Woodlawn (WH)	5,590	5,328	4,598
Total Primary Care Provider Visits	73,954	72,414	73,978
CCHC Specialty- FYTD			
Measure	FY2019	FYTD Target	FY2018
Austin (AH)	211	234	226
Cicero (CH)	401	516	523
Logan Square (LS)	368	486	473
Morton East (ME)	83	54	72
OFHC (OF)	14,164	15,264	14,433
Oral Health (OH)	3,233	2,646	2,580
Siegle Health Center	235	---	-
CDPH	3,153	---	---
Total Specialty Care Provider Visits	21,848	19,200	18,307

*excludes Stroger Specialty Care, CORE, Stroger-Hospital Based Clinics, Sengstacke GMC & Psych, Austin Behavioral Health, and assuming all registrations are provider visits



CountyCare Health Plan Financial and Operational Statistics



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Income Statement for the Six Months ending May 2019 (in thousands)

	Actual	Year to Date Budget	Variance
Member Months	1,925	1,725	200
Revenue			
PMPM	892,430	930,823	(38,393)
Hospital Supplemental Access Payments	207,959	207,959	0
Total Revenue	1,100,389	1,138,782	(38,393)
Expense			
Total Admin Expenses	36,935	41,656	4,720
CCH Clinical Expenses			
Claims	75,112	120,983	45,870
Pharmacy Claims	7,592	18,348	10,756
Care Management	6,356	-	(6,356)
Total CCH Clinical Expenses	89,061	139,331	50,270
External Clinical Expenses			
Claims	549,716	475,386	(74,330)
Hospital Supplemental Access Pmt	207,959	207,959	(0)
Pharmacy Claims	148,419	162,659	14,240
Care Management	22,625	39,387	16,761
Care Management Analytics	3,896	5,700	1,804
Dental Claims	17,093	20,834	3,741
Transportation Claims	8,640	19,434	10,794
Optical Claims	3,109	2,410	(699)
Member Incentives	1,508	1,830	322
Total External Clinical Expenses	962,966	935,599	(27,366)
Total Clinical Expenses	1,052,026	1,074,930	22,904
Total Expenses	1,088,961	1,116,586	27,624
Net Income Before Rate Adjustment	11,427	22,196	(10,769)
Medical Loss Ratio (MLR)	0.96	94%	-2%
Net Income Before Prior Period Adj/IGT	11,427	22,196	(10,769)
IGT	14,398	19,949	(5,551)
Amortization	4,639	-	4,639
Net Income After IGT And Amortization	(7,609)	2,248	(9,856)
Total CCH Impact	100,488	161,527	(61,039)

CountyCare - Observations

Comments:

- CountyCare contributes \$100.5M to CCH through internal capture of CountyCare business at CCH
- CountyCare Medical Loss Ratio is better than National and Regional, sustained at 95% YTD
- Total membership was 317,886 as of June 5, 2019
- Leadership focusing on several initiatives to achieve cost efficiency, protect market share and deepen engagement of targeted demographics
- Working with CCH leadership to increase appropriate CountyCare memberships access to clinical services at CCH facilities

Correctional Health Services Financial and Operational Statistics



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Income Statement for the Six Months ending May 2019 (in thousands)

Correctional Health Services	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	103	-	103	0%
<u>Operating Expenses</u>				
Salaries & Benefits	30,058	34,065	4,008	12%
Overtime	3,191	2,417	(774)	-32%
Contracted Labor	46	185	139	75%
Pension*	4,970	9,998	5,027	50%
Supplies & Materials	347	367	21	6%
Pharmaceutical Supplies	3,275	5,088	1,813	36%
Purch. Svs., Rental, Oth.	6,585	5,499.80	(1,085)	-20%
Insurance Expense	185	-	(185)	n/a
Depreciation	52	52	-	0%
Total Operating Exp	48,708	57,671	8,963	16%
Operating Margin	(48,605)	(57,671)	9,066	16%
Operating Margin %	na	na	na	na
Non Operating Revenue	49,295	49,555	(260)	-1%
Net Income/(Loss)	690	(8,117)	8,807	109%

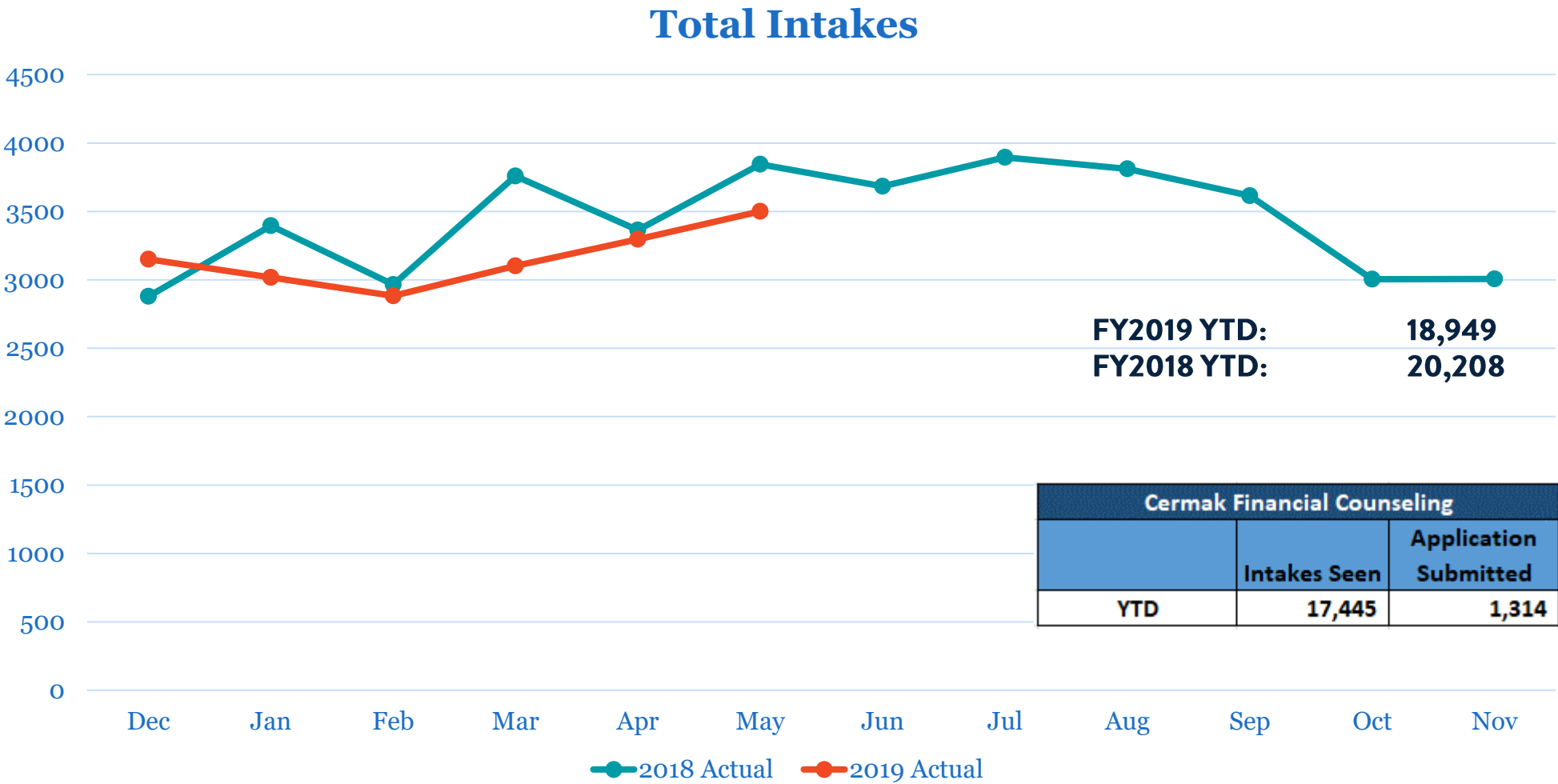
Unaudited Financial Statement



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*Year to Date (6 months) Pension Liability per GASB
Pension includes Other Post Employment Benefits (OPEB) Expense

Correctional Health Operation Overview for the Five Months ending May 2019



Comments:

- 92% of intakes are screened by financial counselling to ensure continuity of coverage

Cook County Dept. of Public Health Financial and Operational Statistics



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Income Statement for the Six Months ending May 2019 (in thousands)

COOK COUNTY PUBLIC HEALTH	Year-To-Date		Variance	
	<i>Actual</i>	<i>Budget</i>	\$	%
Total Operating Rev	593	758	(166)	-22%
<u>Operating Expenses</u>				
Salaries & Benefits	4,720	5,170	450	9%
Overtime	8	3	(4)	-125%
Contracted Labor	54	68	14	20%
Pension*	771	1,390	620	45%
Supplies & Materials	8	58	50	87%
Purch. Svs., Rental, Oth.	264	1,159.01	895	77%
Insurance Expense	32	-	(32)	n/a
Depreciation	1	1	-	0%
Utilities	-	50	50	100%
Total Operating Exp	5,856	7,899	2,043	26%
Operating Margin	(5,264)	(7,141)	1,877	26%
Operating Margin %	na	na	na	na
Non Operating Revenue	771	727	43	6%
Net Income/(Loss)	(4,493)	(6,414)	1,921	30%

Unaudited Financial Statement



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*Year to Date (6 months) Pension Liability per GASB
Pension includes Other Post Employment Benefits (OPEB) Expense

CCDPH Operation Overview for the Six Months ending May 2019

	Program Title	Metric	YTD Thru April 19	FY19 Target
Public Health	Administration	Percent of high-risk infant APORS (Adverse Pregnancy Outcome Reporting System) referrals received that are contacted for follow-up by the Public Health Nurse within 14 calendar days of referral	100%	85%
		Cost per county residents served	\$5.71	\$5.71
	Environmental Health	Cost per Inspection Efficiency	\$208.56	\$208.56
		Time from receipt of Chlamydia or gonorrhea report to field (days)	5	5
	Communicable Diseases	Percent of food establishments with isolated illness complaints within a contracted community or unincorporated Suburban Cook County that are inspected within 2 business days of receipt of complaint	100%	100%
	Program Title	Metric	YTD Thru April 19	FY19 Target
Lead Poisoning Prevention	Lead Poisoning Prevention	Percentage of cases with elevated blood levels visited within the timeline provided in protocols	86%	90%
		Percentage of cases with elevated blood lead levels who receive joint nursing visit and environmental risk assessment visit	100%	95%
	Program Title	Metric	YTD Thru April 19	FY19 Target
TB Program	TB Program	Number of completed Direct Observation Treatments (DOT)	94%	91%



CCH Administration Financial Statements



Income Statement for the Six Months ending May 2019 (in thousands)

<u>Administration</u>	Year-To-Date		Variance	
	<i>Actual</i>	<i>Budget</i>	\$	%
<u>Operating Expenses</u>				
Salaries & Benefits	17,360	19,053	1,694	9%
Overtime	138	85	(53)	-62%
Contracted Labor	1,817	5,366	3,549	66%
Pension*	2,810	7,738	4,928	64%
Supplies & Materials	36	312	276	89%
Purch. Svs., Rental, Oth.	907	2,075.24	1,168	56%
Insurance Expense	136	-	(136)	n/a
Depreciation	1,907	1,907	-	0%
Total Operating Exp	25,110	36,536	11,426	31%
Operating Margin	(25,110)	(36,536)	11,426	31%
Non Operating Revenue	2,810	4,048	1,238	31%
Net Income/(Loss)	(22,301)	(32,488)	10,187	31%

Unaudited Financial Statement



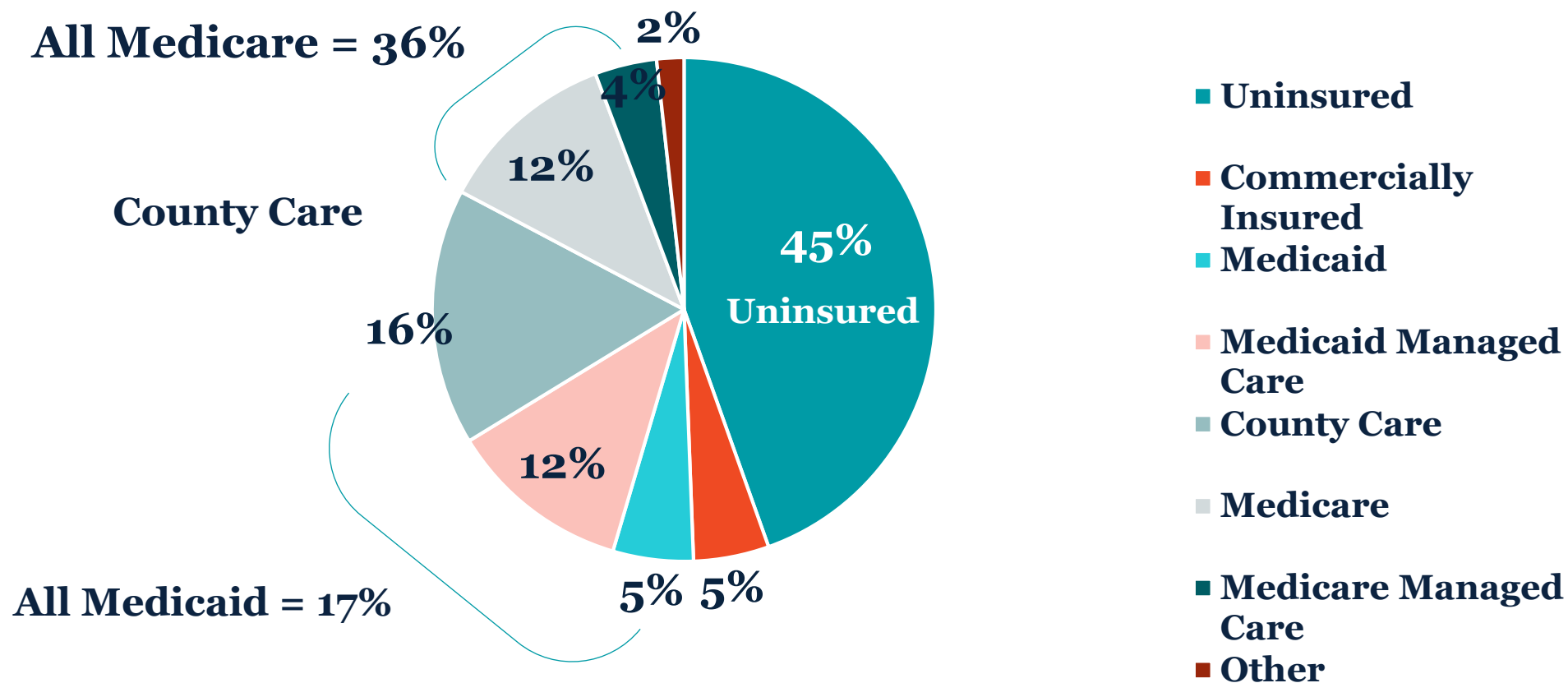
Appendix

System-wide Volumes / Stats

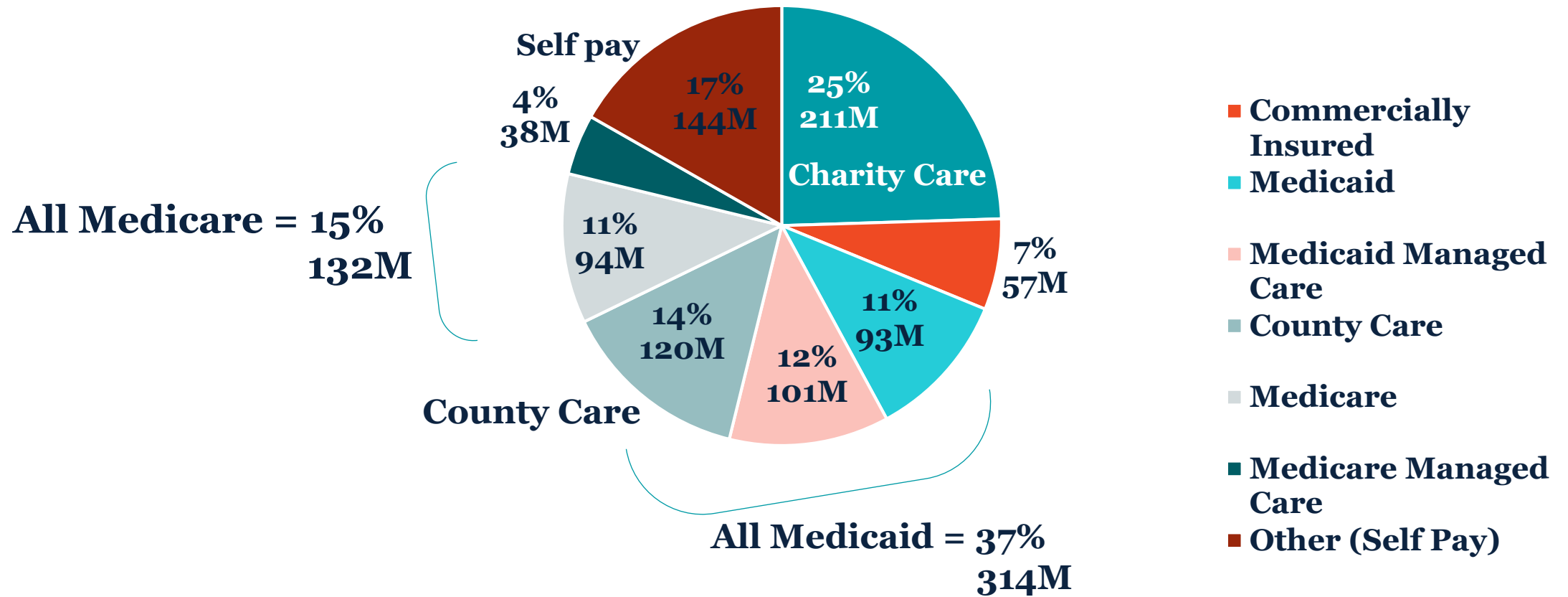


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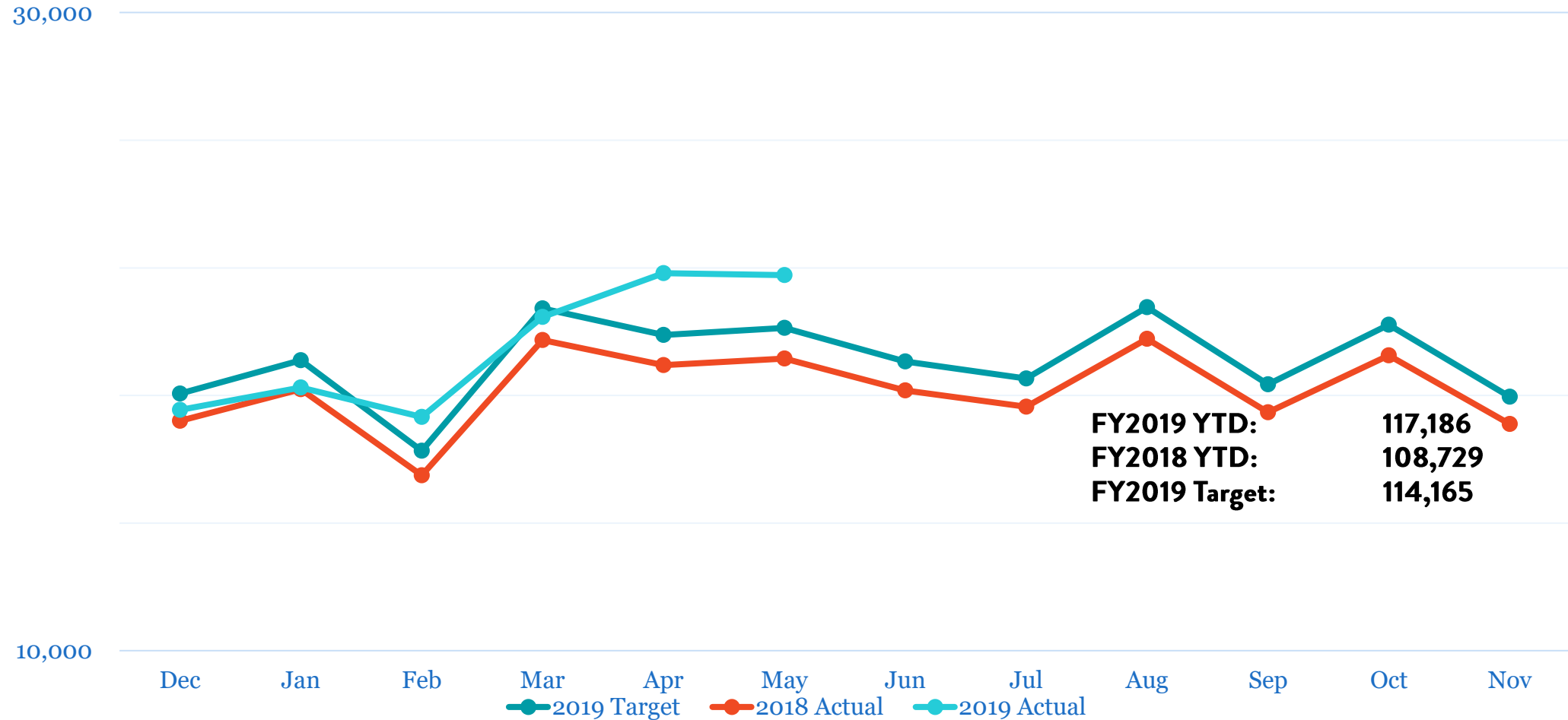
System Payor Mix By Visit as of May 2019



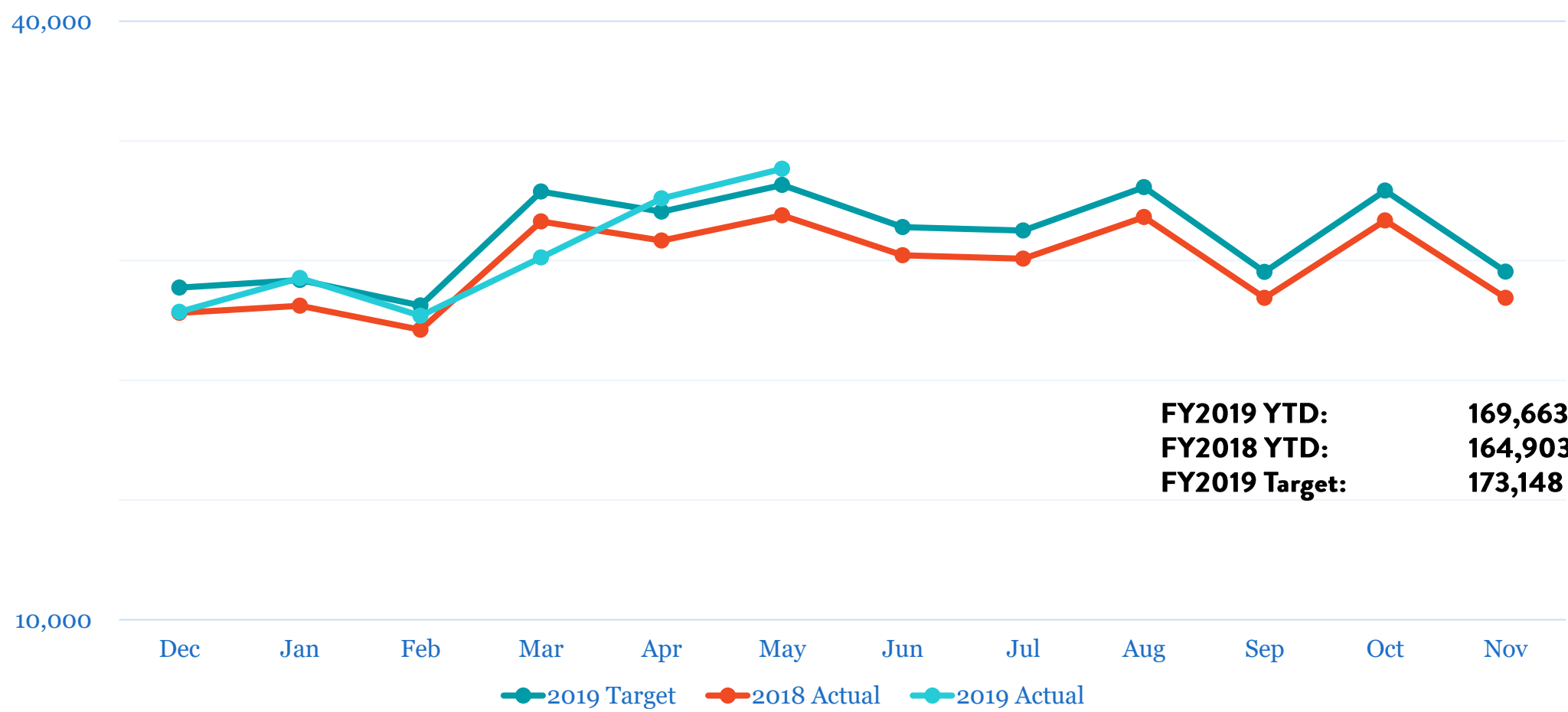
System Payor Mix By Charges as of May 2019



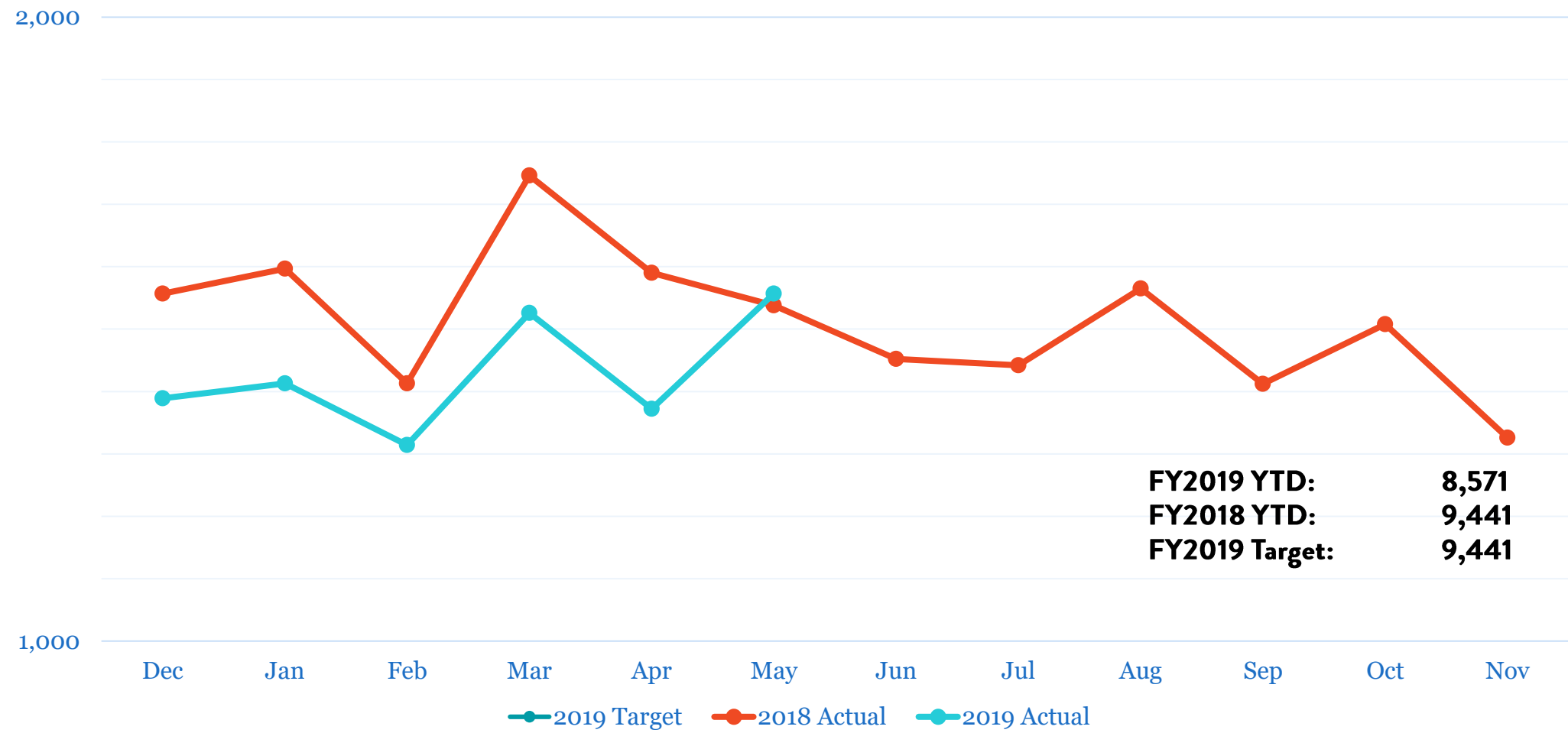
Primary Care Provider Visits



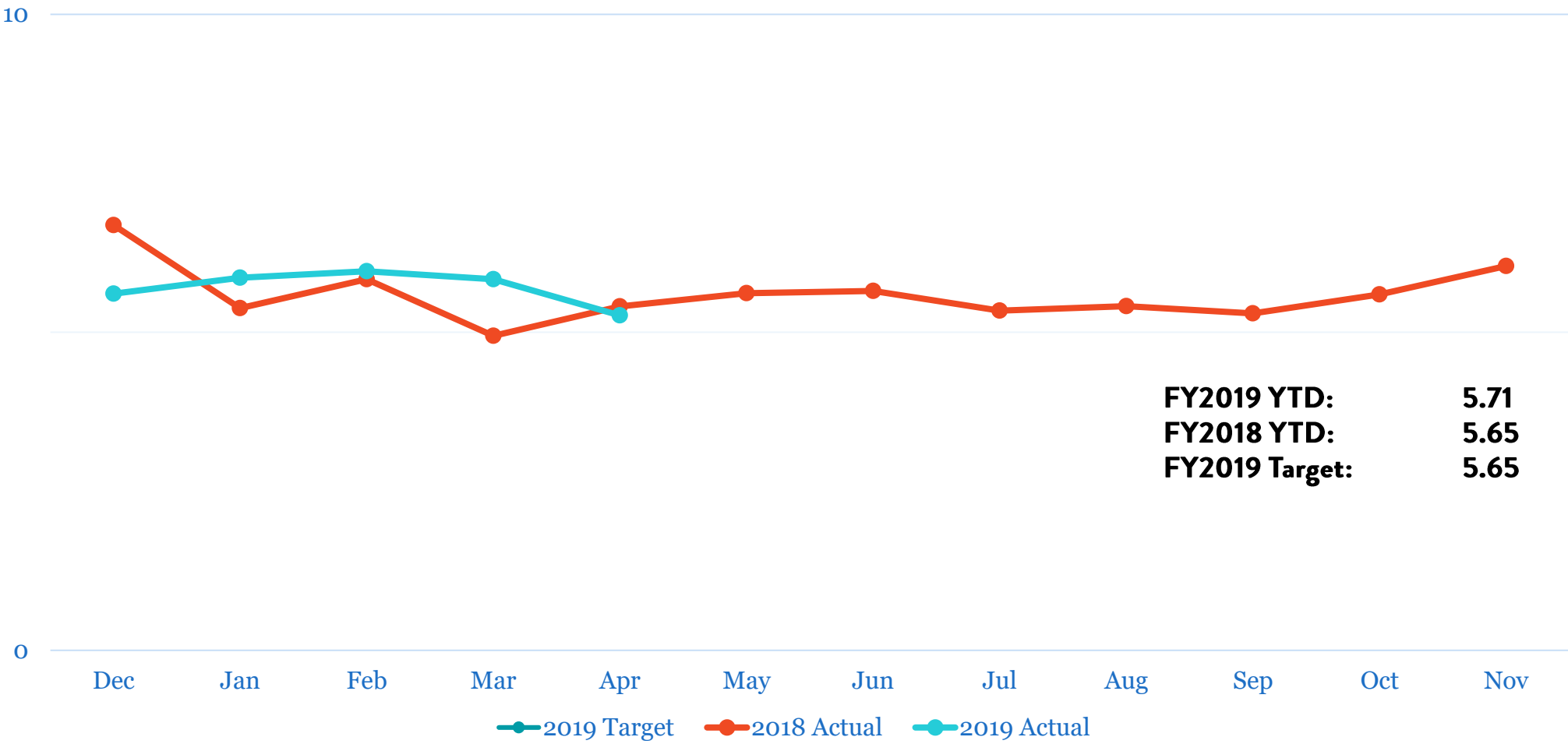
Specialty Care Provider Visits



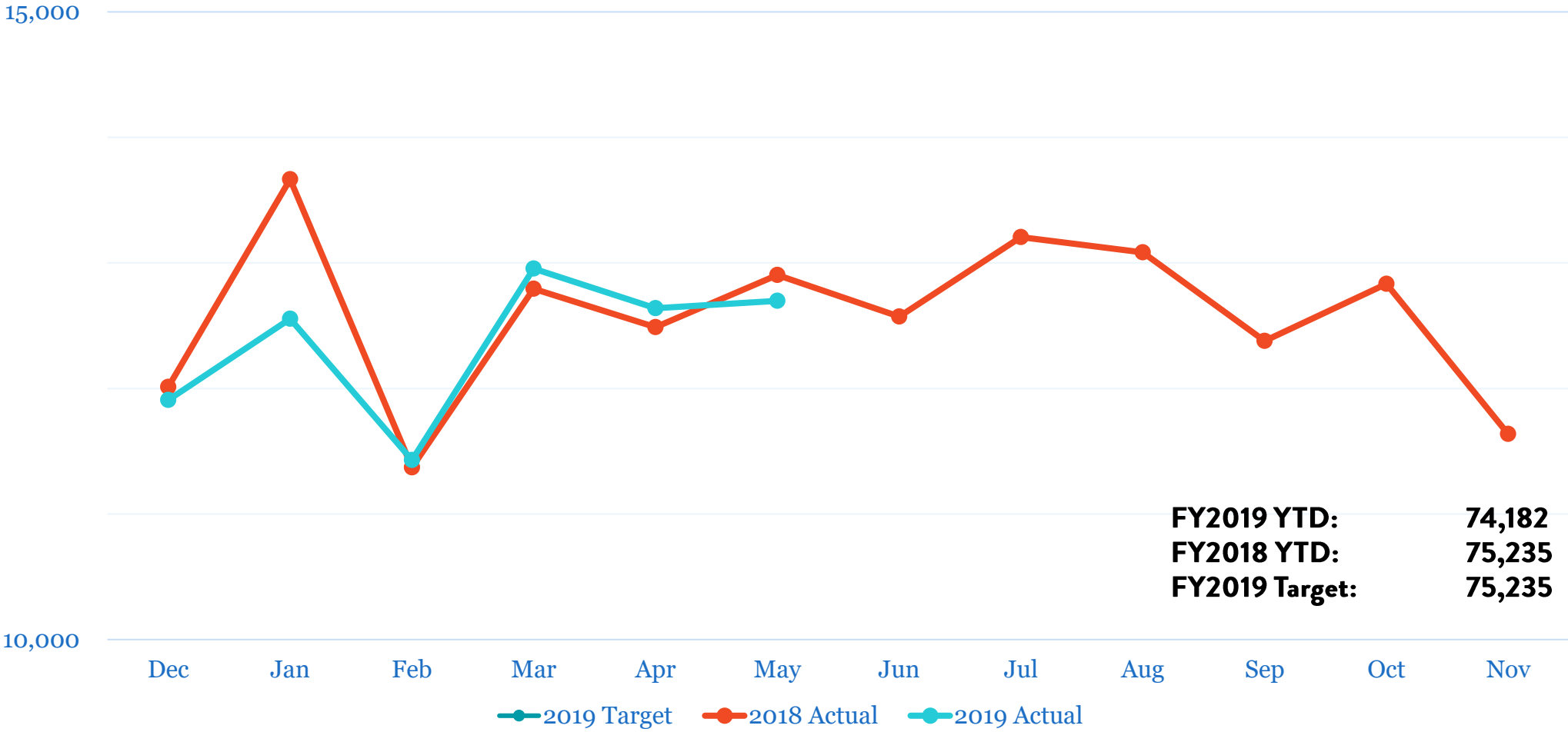
Total Inpatient Discharges



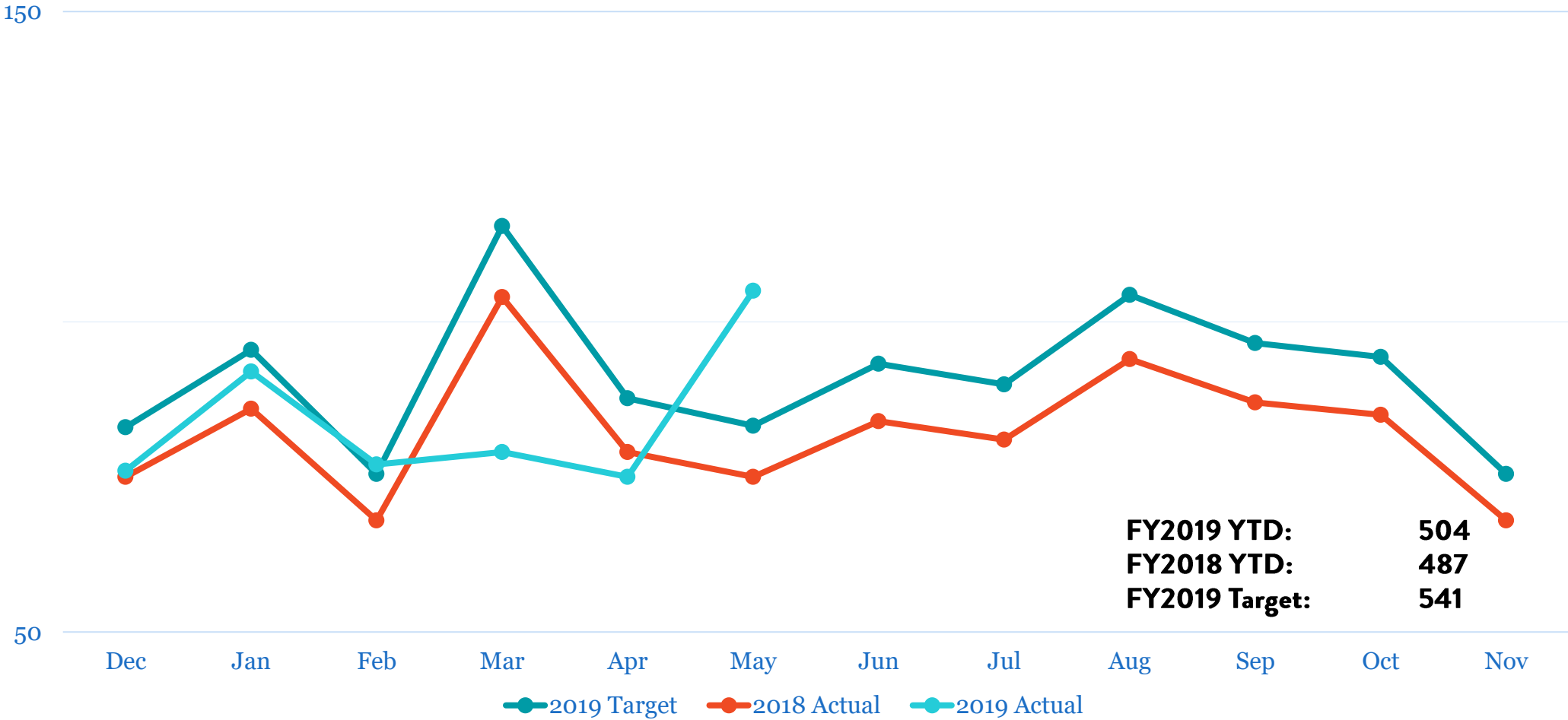
Average Length of Stay



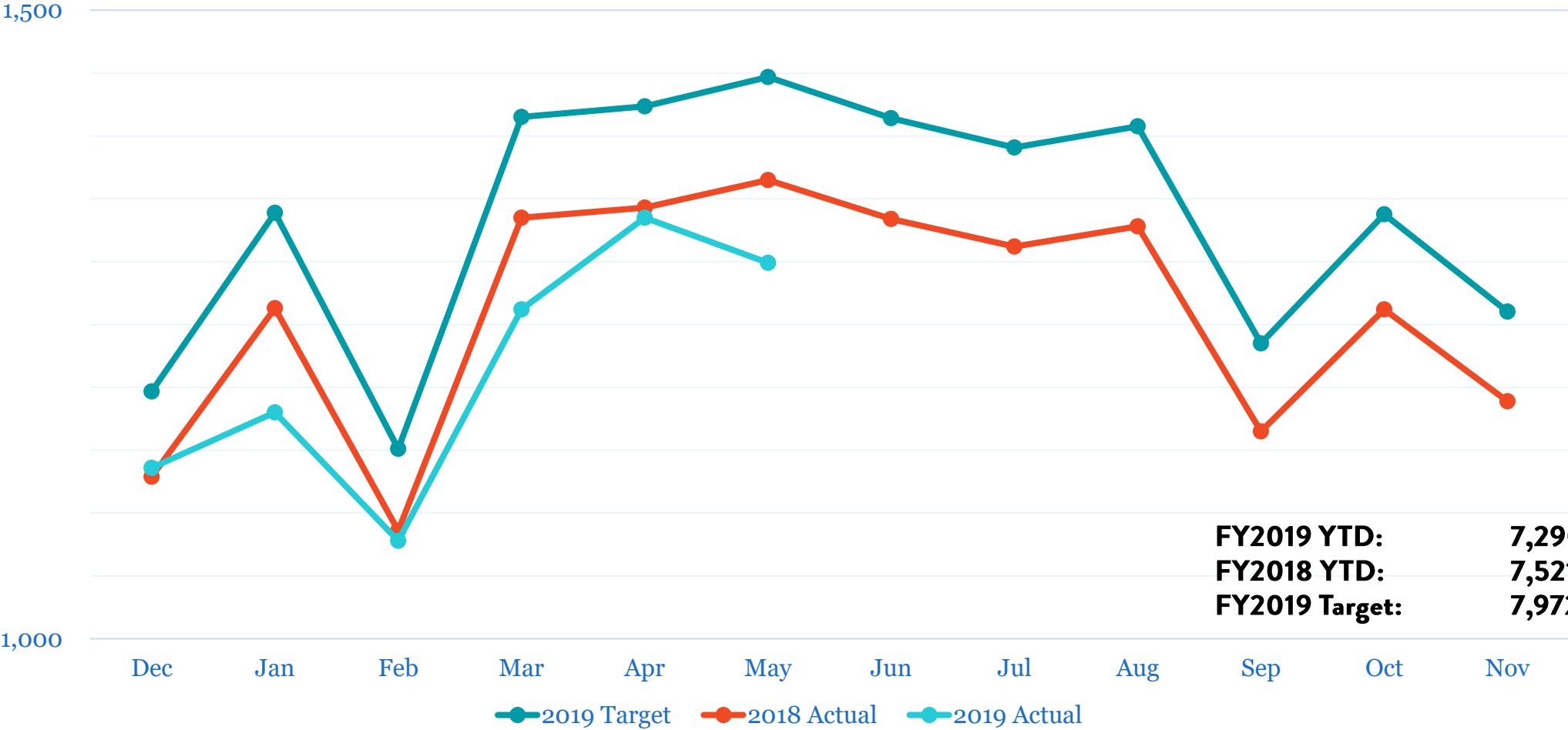
Total Emergency Room Visits



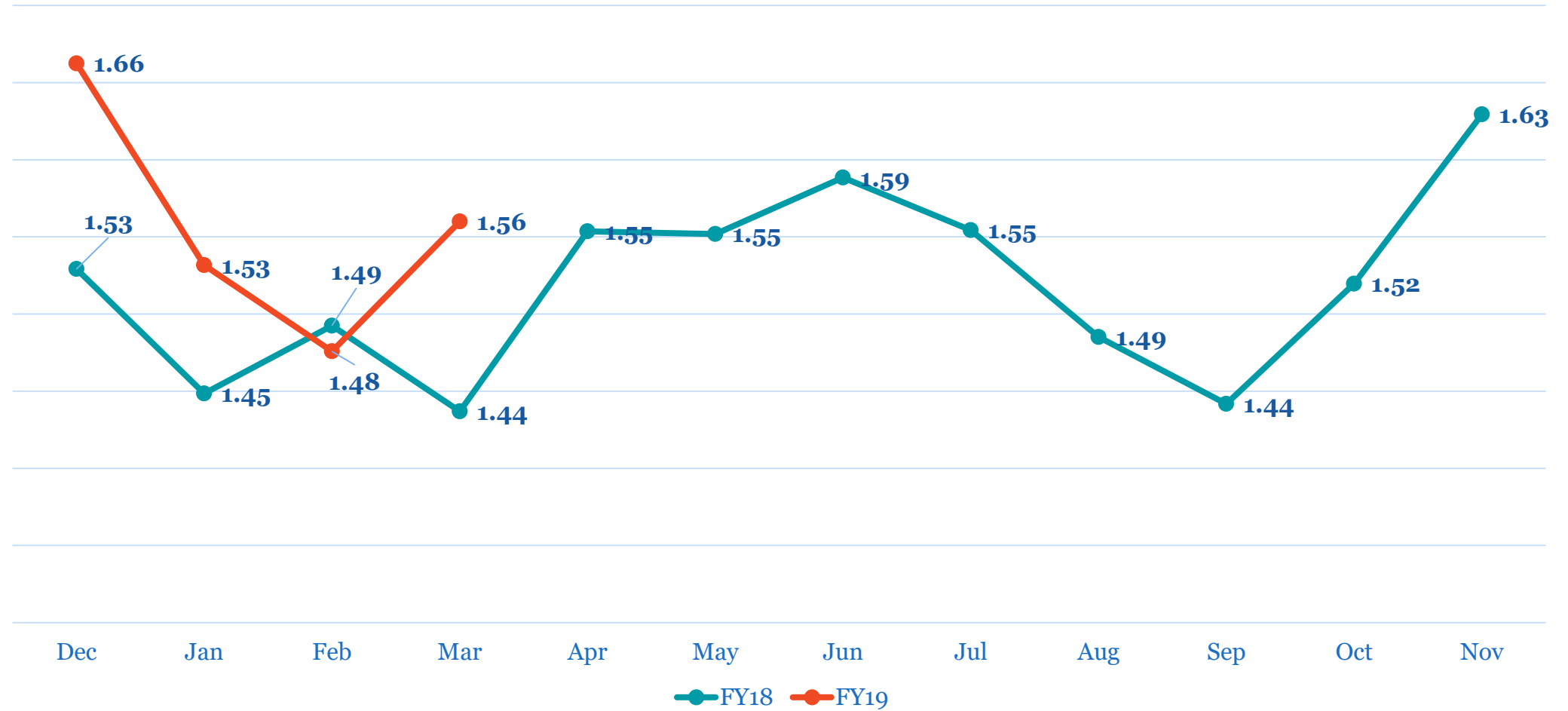
Total Deliveries



Total Surgical Cases



Case Mix Index



Questions?



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